

90-006

June 4, 1990

PERS, TRS, and LEOFF Employers

Reemployment of retirees

Passage of Substitute House Bill (SHB) 2644 during the 1990 legislative session has caused a number of changes to the laws regarding the reemployment of retirees. Retirees from the following systems and plans are affected: PERS Plan I and Plan II, TRS Plan II, LEOFF Plan II, and JRS. The new rules, which go into effect **June 7, 1990**, are summarized below.

PERS Plan I and Plan II retirees:

PERS Plan I and Plan II retirees will be allowed to work in eligible PERS positions on a temporary basis for up to five months in a calendar year without having their retirement benefits suspended and without being required to return to membership. Any five months of employment in eligible positions in a calendar year are applicable, whether or not the months of employment are consecutive.

If a retiree enters a sixth month of employment in an eligible position, he/she returns to membership on the first day of the sixth month and his/her retirement benefits are suspended. The employer is required to submit an EPR for this individual, report him/her on the monthly transmittal report, and begin making contributions.

When the retiree is no longer employed in an eligible position, employers should submit a Notice of Separation for this individual and stop reporting him/her on the monthly transmittal report. The Department of Retirement Systems (DRS) then will actuarially recompute the retiree's benefit amount and resume payments.

PERS Plan II, TRS Plan II, LEOFF Plan II, and JRS retirees:

PERS Plan II, TRS Plan II, LEOFF Plan II, and JRS retirees will be allowed to return to employment in ineligible PERS or TRS positions or in LEOFF positions that are defined as less than full-time, fully-compensated without having their retirement benefits suspended. Employers

will not need to report these individuals so long as they remain employed in ineligible positions.

For all retirees:

To help keep track of retirees who return to employment in eligible positions, employers are required to notify DRS of the name, social security number, and beginning date of employment for these reemployed retirees. This notification should be made by letter within 30 days from when the retiree is reemployed and should be sent to the administrator of the retirement system from which the individual originally retired.

Please note:

Other changes legislated by SHB 2644 may affect the eligibility of some positions. Forthcoming DRS notices will explain these changes in more detail. In addition, the *Monthly Transmittal Reporting Handbook* will be updated to incorporate all changes in reporting that will be required as a result of this legislation.

Questions?

If you have questions about the reemployment of PERS or TRS retirees, please contact Margaret Wimmer at (206) 753-5290, SCAN 234-5290. If you have questions about the reemployment of LEOFF or JRS retirees, please contact Leah Wilson at (206) 753-2075, SCAN 234-2075. If you have specific questions about transmittal reporting, direct your calls to the Employer Relations Unit at (206) 753-8696, SCAN 234-8696.

George Northcroft
Director

Each DRS Notice will include a list of all Notices previously published during the calendar year, their subject matter, and a statement of which employers each Notice was sent to.

If you did not receive a Notice, check this list to verify that the Notice applies to you and/or your employees. If you need a copy, call the DRS User Support Group at (206) 586-4515, SCAN 321-4515.

| Notice No. | Date | Applies to/ Subject matter |
|-------------------|-------------|---|
| 90-001 | Jan. 10 | School district employers using the WSIPC system Transmittal data problems. |
| 90-002 | Jan. 28 | All Employers Transmittal report month-end processing dates. |
| 90-003 | Apr. 2 | State agencies using the PISD Central Payroll System to report members of the Public Employees' Retirement System Changes in some requirements for submitting Employee Permanent Record and Notice of Separation forms for PERS employees. |
| 90-004 | May 29 | All Employers Summary of 1990 legislation related to retirement issues. |
| 90-005 | May 30 | PERS Employers Temporary employment in eligible PERS positions |